

**UNDERGROUND ECONOMY AND EMPLOYEE
MISCLASSIFICATION TASK FORCE MEETING**

Wednesday, March 4, 2015

9:00am

**1511 Pontiac Avenue, Conference Room 73-1
Cranston, RI 02920**

In attendance:

Scott Jensen, DLT Director - Chair

David Sullivan, Tax Administrator

Paula Pallozzi, Department of Business Regulation

**Joseph Degnan, Assistant Director DLT Workforce Regulation and
Safety**

Genevieve Allaire Johnson, Attorney General's Office Designee

**George Salem Jr, Associate Judge, Workers' Compensation Court
Designee**

**The Commissioner of the Department of Public Safety (or designee)
was not in attendance.**

**Also in attendance were Matt Weldon, DLT Assistant Director and
Sean Fontes, DLT Executive Legal Counsel.**

1.) Welcome / Call to Order: The meeting was called to order at 9:07am by DLT Director and Chair, Scott Jensen.

2.) Approval of the Previous Meeting's Minutes: A motion was made by George Salem Jr to approve the minutes to the previous meeting (11/20/2014); seconded by Genevieve Allaire Johnson and passed unanimously.

3.) Introduction/Background:

Administration's Focus/Approach: DLT Director Scott Jensen addressed the task force. Funding is being sought for a Misclassification Unit.

Given multiple agencies may be investigating the same employer; how agencies could coordinate/consolidate efforts should be looked at.

Past Experience: Director Jensen addressed the taskforce on his experience in Maryland. Maryland also set up a task force and Director Jensen hopes that this task force can learn from that experience.

4.) Outreach Efforts: DLT Assistant Director, Matt Weldon, addressed the task force.

Employer Flyer: The informational flyer has been sent out to over 30,000 employers in RI.

Employer Seminars: DLT UI has added a portion on misclassification to their employer seminar.

Press Release / Media Coverage: A copy of the press release was distributed to members. A copy of a PBN article was also distributed. It was noted that coverage was also seen on news channels.

Hotline: Taxation has developed tip hotline, 574-TIPS. David Sullivan reports that some outreach has been done. The hotline has received over 20 tips so far, though some have been unrelated to misclassification. Mr. Sullivan reports the hotline is working well.

Website: Matt Weldon reports that a stand alone website has been developed but is not live yet. The web address is www.misclassification.ri.gov . The goal will be to have an online form as well. Mr. Weldon distributes screenshots of the site for members to review and requests feedback. There was no objection to the site going live. DLT Director Jensen recommends promotion of the site before it goes live. The site should be up within 2 weeks.

5.) Joint Investigations Workgroup:

Update on activities: Matt Weldon provides an update. The group is working to build a framework to deal with complaints. Taxation takes in the complaint and shares the information with the other agencies. Complaints also come through DLT Workforce Regulation and Safety (Prevailing Wage complaints and Labor Standards complaints).

Database Development: Matt Weldon reports that a database is in development.

Director Jensen inquires if the workgroup has looked at who could be deployed for investigations at odd hours. David Sullivan (Taxation) informs that Taxation does have investigators that could be used though DLT has greater strength to shut down jobs. Taxation will work with DLT to look into the matter.

Social media is discussed.

6.) Report to General Assembly: Matt Weldon informs that the report to the General Assembly is due March 15, 2015 and every March 15th thereafter. Mr. Weldon will draft the report to be reviewed by taskforce members for feedback before being submitted.

7.) Data Sharing Agreements: Sean Fontes, DLT Executive Counsel,

addressed the taskforce regarding the sharing of information amongst the agencies of the taskforce. Counsel Fontes has drafted a MOU that has been circulated to the legal counsel of each agency. The MOU will need to be signed by each agency and should be completed in a week or two.

8.) Public Comment Period:

- Donald Epifano, of US DOL, addressed the taskforce expressing his support of the taskforce and explained how US DOL works with the State of Connecticut and offers the same type of relationship. Matt Weldon will work on a MOU with USDOL and include Mr. Epifano in the workgroup.
- The task force was informed of House Bill 5388 that would require that the designation of a worker as an "independent contractor" form to be filed annually, with a fifty dollar (\$50) filing fee with the director of revenue, and not the director of labor and training.
- Joe Walsh (IBEW Local 99) inquired of a single definition of employee.
- Attorney Greg Mancini (Build RI) addressed the task force regarding mechanical liens. Mr. Mancini also asked the Department, going forward, to reconsider its interpretation of the law or submit legislation to broaden the law referencing a hearing decision he had

received.

- **Michael Sabitoni (President of RI Building and Construction Trades Council and Business Agent for the Laborers Union) addressed the taskforce that the deterrent in construction to combat misclassification is the “example” and, when appropriate, an example should be made public.**

The public is encouraged to provide the task force with any tips they may have.

9.) Adjournment: The meeting adjourned at 10:23am.